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RUEHPE/AMEMBASSY LIMA PRIORITY 1242
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SUBJECT: CORREA NAMES NEW CABINET MEMBERS, INCLUDING LABOR

REF: QUITO 3033

¶1. (SBU) Summary: On December 19 President-Elect Rafael Correa announced two new cabinet level ministers and four lower level positions. The new officials named were: Antonio Gagliardo Valarezo, Minister of Labor; Raul Carrion Fiallos as Sports Minister; Monica Chuji Gualinga will be the Communication Secretary; Leonardo Vicuna Izquierdo will head the State Bank; Jorge Glas Espinel, will lead the Solidarity Fund; and, Carlos Marx Carrasco will be the Internal Revenue Director. Correa also confirmed plans to re-invent government by re-arranging parts of the executive branch. Information is scarce on most of Correa's newly announced appointees, but many of them appear to conform to Correa's preference for leftist academics without much government experience. End Summary.

¶2. (U) The announcements took place at a press conference prior to receiving his official credentials as president-elect from the Supreme Electoral Tribunal. During the event, Correa delivered a fiery speech to supporters reaffirming his agenda for radical change, including his intention to convoke a referendum on a constituent assembly.

Antonio Gagliardo Valarezo to Labor

¶3. (SBU) Gagliardo hails from Guayaquil, is considered a labor law expert and was the former Minister of Welfare under the PSC Rodrigo Borja administration. He has also been an ID congressman and served as congressional vice president of the Labor Commission. Correa said Gagliardo would focus on workplace quality, and increasing subcontracting law controls while putting an end to its abuses, and conduct a thorough review of the new draft labor code.

Raul Carrion Fiallos, Minister of Sports

¶4. (SBU) Correa announced that Raul Carrion will head the new Ministry of Sports, which will replace the current Sports Subsecretariat. Carrion is a cardiologist specializing in sports medicine. Carrion hails from Guayaquil but lives in Esmeraldas and has worked for the Ecuadorian Soccer Federation and the Emelec and Esmeraldas Petrolero soccer teams.

Monica Chuji Gualinga as Communication Secretary

¶5. (SBU) The announcement of Monica Chuji surprised many

analysts since she is a virtual unknown. She is from the Amazon region, and has degrees in communication and Sociology. She was a director of Warmi Wanguringa, a Sarayacu indigenous women's organization. Sarayacu is an Amazon community of 2,000 Quichua Indians that have conducted a successful campaign to prevent oil exploration on their ancestral lands in the southern Amazon region of Ecuador. During his campaign Correa visited Sarayacu and expressed solidarity with the indigenous community by publicly stating that there would be no exploration or exploitation of indigenous lands unless the communities consented. In naming Chuji as his spokeswoman, Correa told the press her fluency in both the Spanish and Kichwa languages would allow for better contact with the indigenous communities in the country.

Leonardo Vicuna Izquierdo to the State Bank

¶6. (SBU) Vicuna, an economist, served in Abdala Bucaram's ill-fated administration and was named by President Palacio to the Special Investigative Commission on Foreign Debt. He was a dean and rector at the University of Guayaquil and is a leftist writer known for his attacks against the Occidental petroleum company and foreign debt payments. The State Bank will be a development bank directed at the most needy segments of society. Vicuna will focus on raising capital which will then be used to fund sewage, and potable water projects in those municipalities deemed lacking in economic development.

Jorge Glas Espinel will head the Solidarity Fund

¶7. (SBU) Glas is from Guayaquil and an electrical engineer by training. He is reportedly also a television personality on cable TV (Television Satelital) and a telecommunications system specialist. The Solidarity Fund oversees Ecuador's two main telecommunications companies and the electricity sector, using proceeds for social projects. Correa tapped him to handle the restructuring of Andinatel and Pacifictel, Ecuador's main telecommunications companies. Correa has announced his intention to eliminate the Fund in the future in favor of the possible creation of a Technology and Communications ministry. Correa also announced he plans to transfer management of the electrical companies to the Energy Ministry.

Karl Marx Carrasco Collecting Taxes

¶8. (SBU) Carlos Marx Carrasco is from the province of Canar in southern Ecuador and is an economics professor at the University of Cuenca. He has authored several books and holds two master's degrees in finance and planning and development. Correa said Marx's top priority will be increasing tax revenues.

Government Reinvention

¶9. (SBU) Rafael Correa announced that he plans to eliminate at least half of the 28 executive offices that report to the President. He is also reportedly in favor of eliminating the Central Bank (note: but lacks constitutional authority to do so without the support of Congress) and the National Committee on Modernization (CONAM). Correa intends to preside directly over the National Council on Competitiveness and will restructure the Deposit Guaranty Agency (AGD). The Ministry of Agriculture and Livestock will assume responsibility for fisheries, a function formerly handled by the Ministry of Commerce, which will be eliminated. The Ministry of Foreign Affairs will assume most trade functions formerly handled by Commerce. Correa will also create new ministries for migrants, sports (see above), and transport. The former ministry of public works will be folded into the new transportation ministry.

Comment

¶10. (SBU) Many of his choices continue to surprise many political analysts for their political anonymity. Several of Correa's latest choices are relatively inexperienced in government and politics. However, Correa's choices are consistent with his trend of selecting academic and ideological individuals. The announcement of an indigenous women's activist advances his pledge to fill his cabinet positions with at least 40% women and recognizes the electoral support he received from indigenous communities. Correa's nod for Defense Minister is also expected to go to a woman civilian.

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